



CITY OF
CHARLOTTE

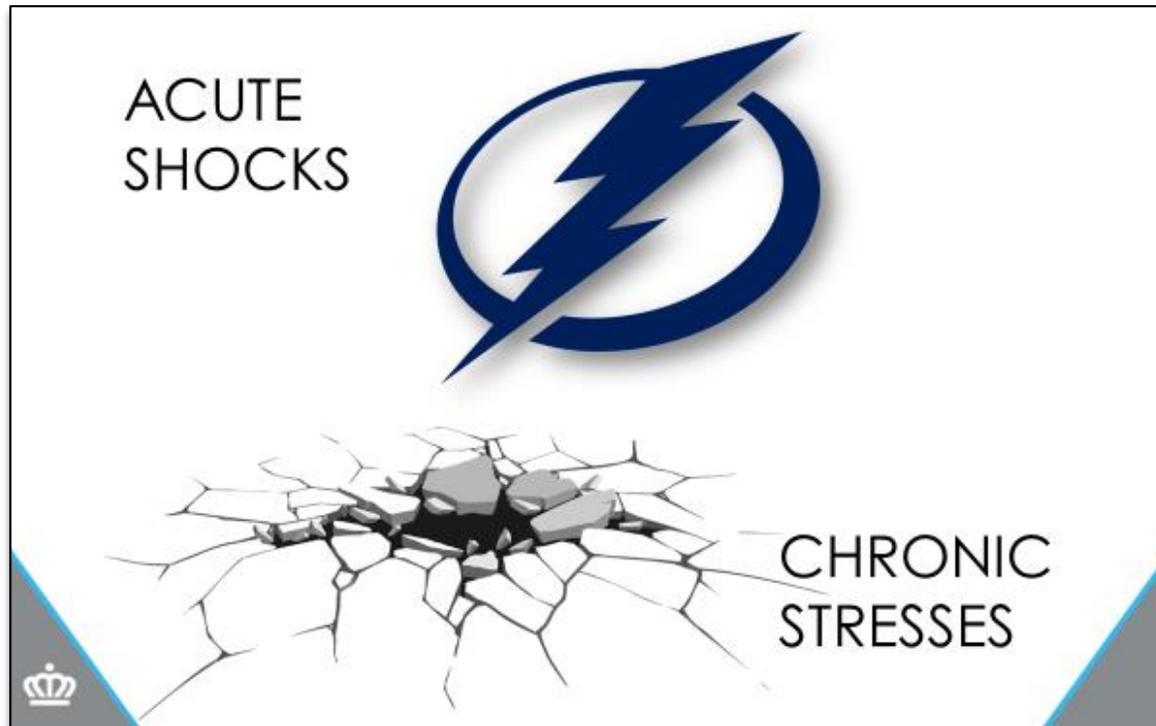
Proposed FY 2021 Budget

RESILIENCE & RECOVERY

MAY 4, 2020

We Set the Foundation in 2017

FY 2018 Proposed Budget



The last four years have been spent building a resilient, adaptable, well-managed government

Almost Four Years of Momentum



A photograph of two cyclists riding on a city street in March 2020. Both cyclists are wearing face masks and helmets. The cyclist on the left is wearing a red shirt and a blue mask, while the cyclist on the right is wearing a dark blue shirt and a white mask. They are riding on a paved street with a crosswalk. In the background, there are buildings, traffic lights, and a sign for 'THE EVENING MUSE'. The overall scene is dimly lit, suggesting an overcast day or early morning/late afternoon. The text 'March 2020' is overlaid in white, and 'COVID-19' is overlaid in a light red color.

March 2020

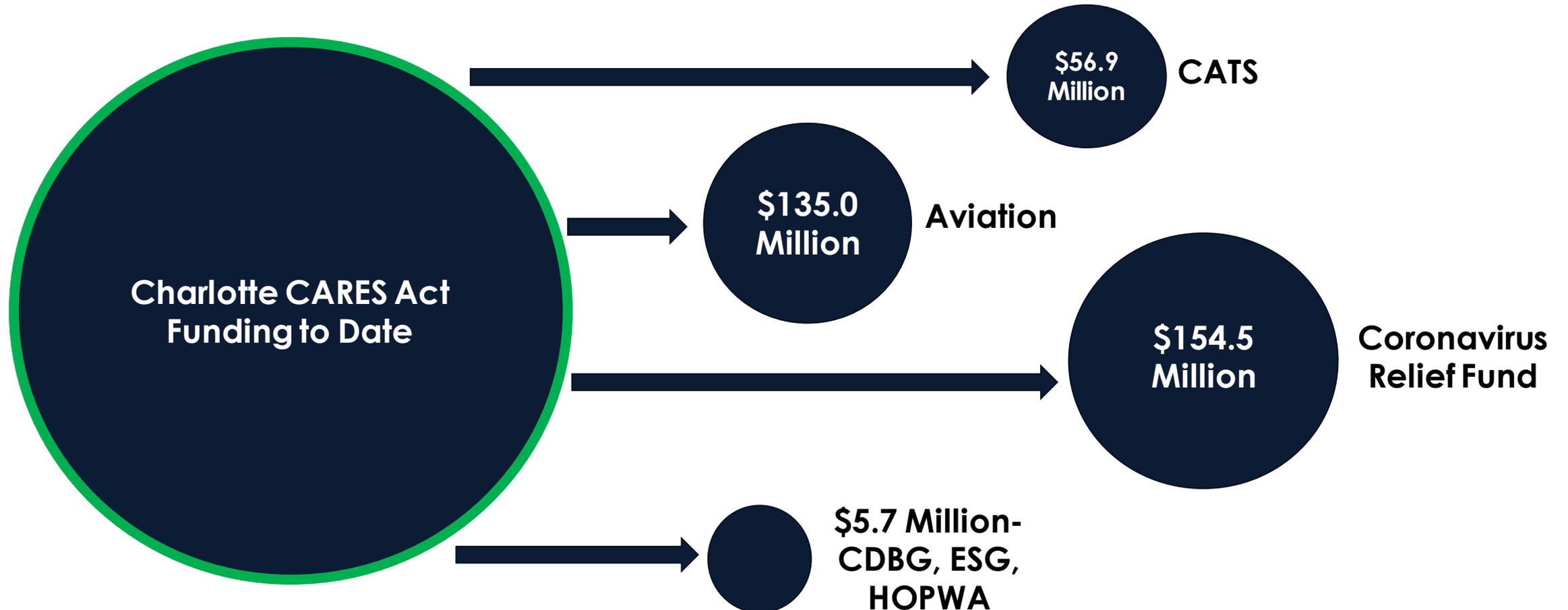
COVID-19

COVID-19: Our Resilience Challenged

Type of Tax	General Fund	General Capital	Transit Fund	Hospitality Funds
Property Tax	Low	Low	NA	NA
Sales Tax	High	High	High	NA
Occupancy Tax	NA	NA	NA	Very High
Food and Beverage Tax	NA	NA	NA	Very High

Above table does not reflect revenue impacts associated with fees and services.

CARES Act Federal Funding for State and Local Governments



Continuing to Connect People



	Aviation	Charlotte Area Transit
Financially Strong	✓	✓
Receiving Federal Assistance	✓	✓
Maintaining Service Level	✓	✓

Financial Challenges of COVID-19

FY 2021 General Fund Projection Due to Covid-19 Revisions			
Revenues by Source	FY 2020 Budget (Millions)	FY 2021 January Projection (Millions)	FY 2021 Projection (Millions)
Property Tax	\$390.2	\$399.0	\$399.8
Sales Tax	\$117.7	\$120.0	\$108.9
Utility Franchise Sales Tax	\$55.8	\$56.4	\$55.8
All Other	\$164.0	\$169.8	\$164.7
Total Revenues	\$727.7	\$745.2	\$729.2
		+\$17.5 Million	+\$1.5 Million

FY 2021 Budget Gap

Projected FY 2021 Expenditures	\$752.0 Million
Projected FY 2021 Revenues	\$729.2 Million
April Budget Gap	(\$22.8 Million)

Additional Technical Expenditures identified after Retreat	(\$2.8 Million)
Reduction in Formula-Driven Pass Through	+\$3.8 Million
Revised Budget Challenge	(\$21.8 Million)

Value of a Tax Increase

1.5c Tax Increase = \$21.8 Million in New Revenue in FY 2021

**Not an option we pursued*

Followed Budget Principles



**FY 2021
Budget
Principles**

Assess and Address the Budget Gap

Remain Structurally Balanced

Provide Core Services

Protect Existing Employees

Identifying Efficiencies in Operations

Department Actions

- Elimination of 26 vacant positions
- Departments solved growth challenges with existing resources
- Reduction in discretionary expenditures
- Without significant reduction in services**

\$8.5 Million

Use Available Revenue Sources to Protect Core Services

**\$5.1
Million**

Shift sales tax
from PAYGO to
General Fund

**\$1.7
Million**

Capture ABC
Revenue in
General Fund

**\$4.3
Million**

Use capital
capacity to
transfer and
expand street
resurfacing

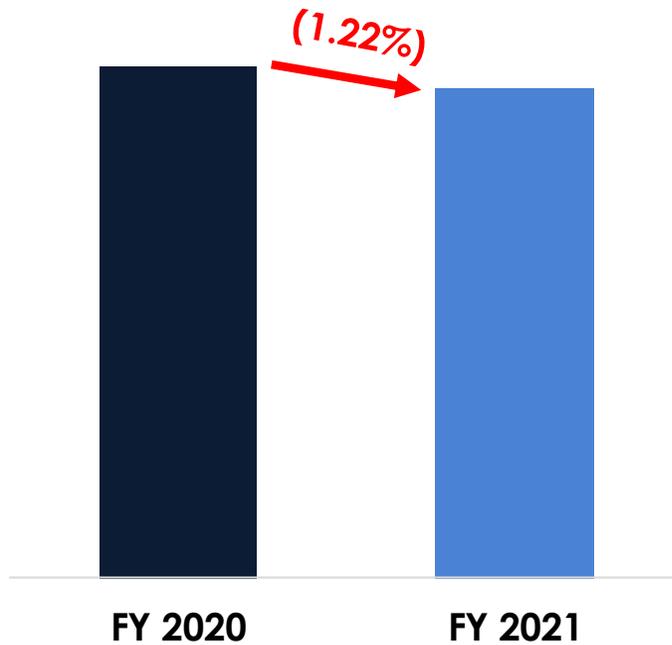
\$11.1 Million

Solving the Budget Challenge

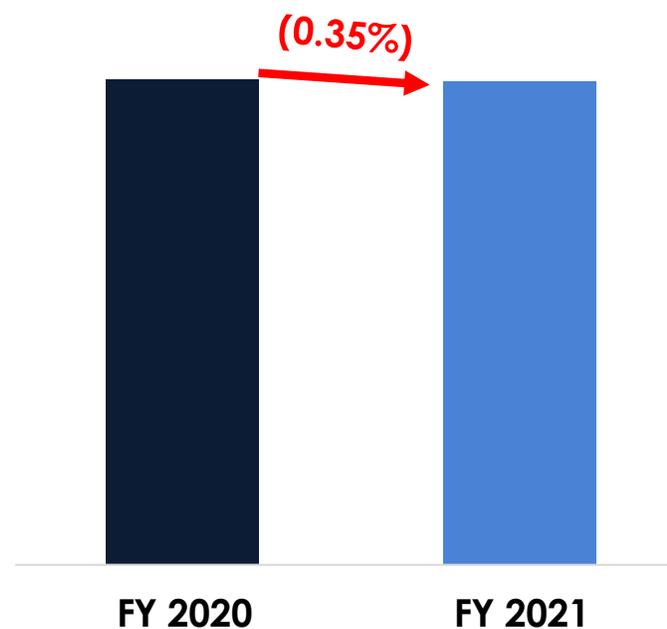
Budget Gap Due to COVID-19	(\$21.8 Million)
Department Adjustments and Actions	\$8.5 Million
Shifting Revenue to the General Fund to Protect Operations	\$6.8 Million
Move Street Supplement from General Fund to PAYGO	\$4.3 Million
Additional Revenue	\$3.5 Million
Remaining Resources after Strategies	+\$1.3 Million
Available for additional investments	\$1.3 Million

Proposed FY 2021 General Fund

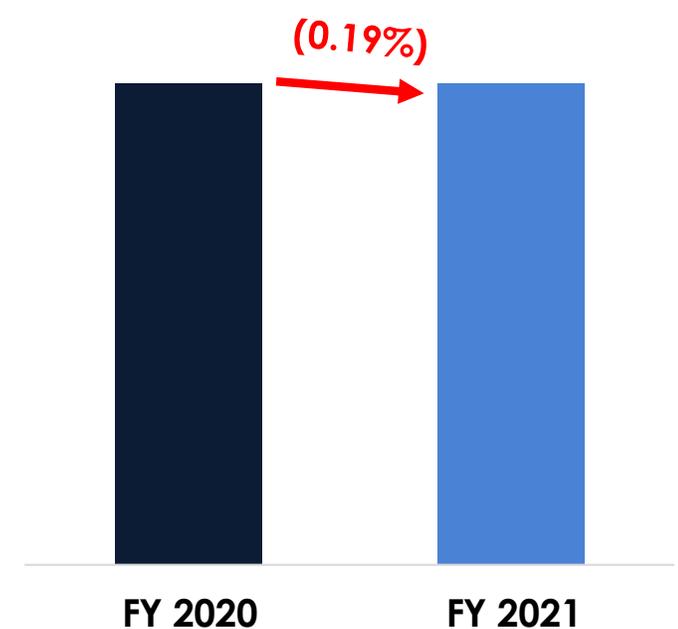
Proposed FY 2021 General Fund Budget: **\$718.8m**



Proposed FY 2021 General Fund Positions: **5,731**



Proposed FY 2021 All Funds Positions: **8,217**

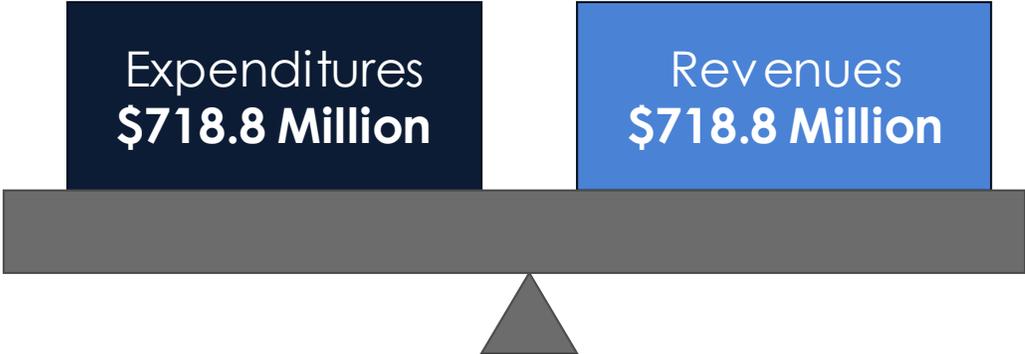


Remaining Structurally Balanced

Proposed FY 2021:
All Funds
(net of transfers)



Proposed FY 2021:
General Fund



No Use of Operating Reserves

During a crisis, a financially resilient organization can:

Protect Core Services



Protect Its Employees



Protect Its Capital Program



Keep Moving Forward on Priorities



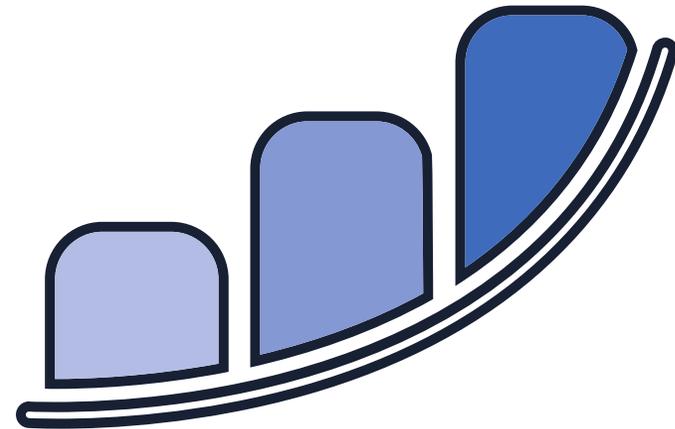
Providing Core Services

Core Services

- ✓ 311
- ✓ Fire/Emergency Management
- ✓ Housing
- ✓ Permitting
- ✓ Police
- ✓ Solid Waste
- ✓ Transit
- ✓ Transportation
- ✓ Water

Preparing for the Future

Deliberate and methodical approach to ramping back up



Protect Existing Employees



Employees continue to deliver services

Safety is our priority

Strive to be an Employer of Choice

Everything Starts with Our Employees

- ✓ **3 percent** merit increase for salaried general employees
- ✓ **3 percent** combined market and merit increase for hourly employees
- ✓ Employee health insurance premiums will have **no increase in 2021**
- ✓ Continue All-Access Transit Pass



Completing Two-Year Police Pay Plan



Fully Fund Plan

- ▶ Improved Officer Attraction
- ▶ Increased Officer Top Pay
- ▶ Reach Top Pay Sooner
- ▶ Established a Senior Police Officer Program

Continuing the Plan with Fire



Complete Year 2 of 3-Year Fire Plan

- ▶ Increased Top Pay for:
 - Fire Fighter II
 - Fire Engineer
 - Fire Captain
- ▶ Reduced number of years to Top Pay
- ▶ Previously “topped out” Fire Captains and Fire Engineers have now received increased 4 years in a row

Impact of Investments in Public Safety

Compensation

Cumulative Three Year Impact to Top Step¹

	FY 2018	FY 2021	Change ²
Police Officer	\$72,580	\$86,086	+19%
Police Sergeant	\$86,064	\$99,709	+16%
Firefighter II	\$69,124	\$76,224	+10%
Fire Engineer	\$70,852	\$82,037	+16%
Fire Captain	\$83,934	\$96,140	+15%

¹ Table includes 10% incentive pay for a 4-year degree

² Includes 2%, 1.5%, and 1.5% market adjustments from FY 2019-FY 2021

Recruitment and Retention (2018 to 2019)

Voluntary Resignations (reasons unrelated to performance)

Police:
Down 25%

Fire:
Down 50%¹

New Recruit Applications

Police:
Up 24%

Fire:
Up 7%

¹ Charlotte firefighters have an independent retirement system, resulting in a low attrition rate. The 2018 to 2019 change was from 6 to 3 resignations

Remaining Disciplined in FY 2021

- ▶ Core services will continue
- ▶ Delivery of services will change
- ▶ Expenditures plans may change based on actual revenues



Resilience in Capital Planning

FY 2018

FY 2018-2022 Community Investment Plan

INTRODUCTION

The City of Charlotte recognizes the importance of long-range capital investment planning to maintain the growth and vitality of the community. The City's Community Investment Plan is a five-year capital expenditure and infrastructure plan, which matches the City's highest priority capital needs with a financing schedule.

The FY 2018-2022 Community Investment Plan totals \$4.1 billion, and includes investments in neighborhoods, housing, storm water projects, roads, transit, water and sewer projects, the airport, and government facilities.

The following pages of this section of the document provide summary information and detailed funding schedules for the FY 2018-2022 Community Investment Plan and are organized into the following subsections:

Community Investment Plan Subsections	Contents
1. General Community Investment Plan Summary	Provides an overview of the funding sources and capital projects included in the recommended General Community Investment Plan, including investments in neighborhoods, housing, roads, economic development, environment, and facilities.
2. Municipal Debt-Funded Project Summary	Provides a list of the General Community Investment Plan projects funded with debt-supported Certificates of Participation and General Obligation Bonds scheduled over four bond refinements between 2014 and 2020.
3. General Pay-As-You-Go-Funded Project Summary and Schedule	Provides a list of the General Community Investment Plan projects funded with cash-supported Pay-As-You-Go revenues for smaller and one-time capital investments.
4. Transit Investment Pay-As-You-Go-Funded Project Summary and Schedule	Provides a list of funding sources and uses for City-supported transit investments.
5. General Community Investment Plan Program Expenditure and Revenue Summary	Provides list of total expenditures by General Capital Program and a list of each revenue source supporting the General Community Investment Plan.
6. Enterprise Community Investment Plan Revenue and Expenditure Summary	Provides a list of capital revenue sources supporting each of the four Enterprise Community Investment Plans along with the total expenditures for each program.
7. Detailed Program Schedules A - F	Sections 7.A through 7.F provide detailed funding and expenditure schedules for each capital program area, including housing and neighborhoods, transportation, economic development, environment, and facility investments. These schedules identify the individual capital projects within each program area for the five-year Community Investment Plan.
8. Preliminary Public Art Schedule	Provides a summary of the public art funding allocations to each of the eligible projects.
9. Estimated Operating Budget Impact from Major Capital Investments	Provides a list of estimated annual operating costs associated with major capital investments and the fiscal year in which these operating costs will begin upon completion of the capital project.
10. Capital Program and Financial Policies	Provides a description of the City Council-approved programmatic and financial policies governing the development and management of the Community Investment Plan.

FY 2019

FY 2019-2023 Community Investment Plan

INTRODUCTION

The City of Charlotte recognizes the importance of long-range capital investment planning to maintain the growth and vitality of the community. The City's Community Investment Plan is a five-year capital expenditure and infrastructure plan, which matches the City's highest priority capital needs with a financing schedule.

The FY 2019-2023 Community Investment Plan totals \$4.9 billion, and includes investments in neighborhoods, housing, storm water projects, roads, transit, water and sewer projects, the airport, and government facilities.

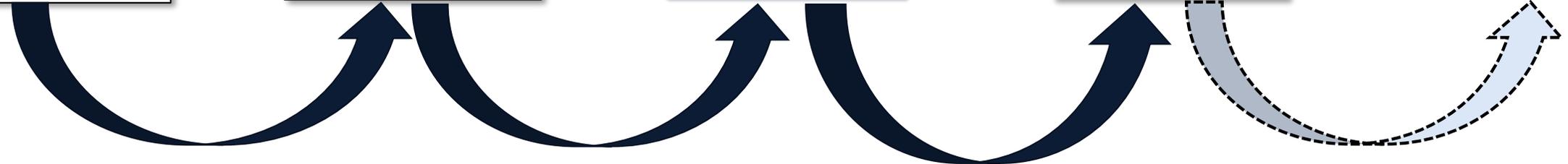
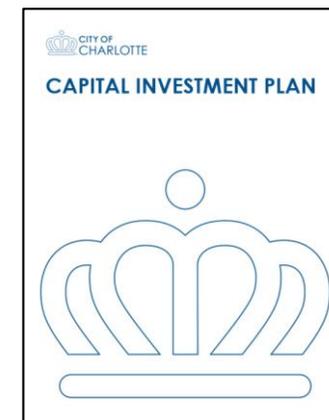
The following pages of this section of the document provide summary information and detailed funding schedules for the FY 2019-2023 Community Investment Plan and are organized into the following subsections:

Community Investment Plan Subsections	Contents
1. General Community Investment Plan Summary	Provides an overview of the funding sources and capital projects included in the recommended General Community Investment Plan, including investments in neighborhoods, housing, roads, economic development, environment, and facilities.
2. Municipal Debt-Funded Project Summary	Provides a list of the General Community Investment Plan projects funded with debt-supported Certificates of Participation and General Obligation Bonds scheduled over four bond refinements between 2014 and 2020.
3. General Pay-As-You-Go-Funded Project Summary and Schedule	Provides a list of the General Community Investment Plan projects funded with cash-supported Pay-As-You-Go revenues for smaller and one-time capital investments.
4. Transit Investment Pay-As-You-Go-Funded Project Summary and Schedule	Provides a list of funding sources and uses for City-supported transit investments.
5. General Community Investment Plan Program Expenditure and Revenue Summary	Provides list of total expenditures by General Capital Program and a list of each revenue source supporting the General Community Investment Plan.
6. Enterprise Community Investment Plan Revenue and Expenditure Summary	Provides a list of capital revenue sources supporting each of the four Enterprise Community Investment Plans along with the total expenditures for each program.
7. Detailed Program Schedules A - E	Sections 7.A through 7.E provide detailed funding and expenditure schedules for each capital program area, including housing and neighborhoods, transportation, economic development, environment, and facility investments. These schedules identify the individual capital projects within each program area for the five-year Community Investment Plan.
8. Preliminary Public Art Schedule	Provides a summary of the public art funding allocations to each of the eligible projects.
9. Estimated Operating Budget Impact from Major Capital Investments	Provides a list of estimated annual operating costs associated with major capital investments included in this five-year capital program and the fiscal year in which these operating costs will begin upon completion of the capital project.
10. Capital Program and Financial Policies	Provides a description of the City Council-approved programmatic and financial policies governing the development and management of the Community Investment Plan.

FY 2020



FY 2021



Continuing to Invest throughout the City

Big Ideas – Community Investment Highlights

\$135.0m in six different Comprehensive Neighborhood Improvement Program areas

\$130.0m to develop affordable housing (more than double over planned amount of \$60.0m)

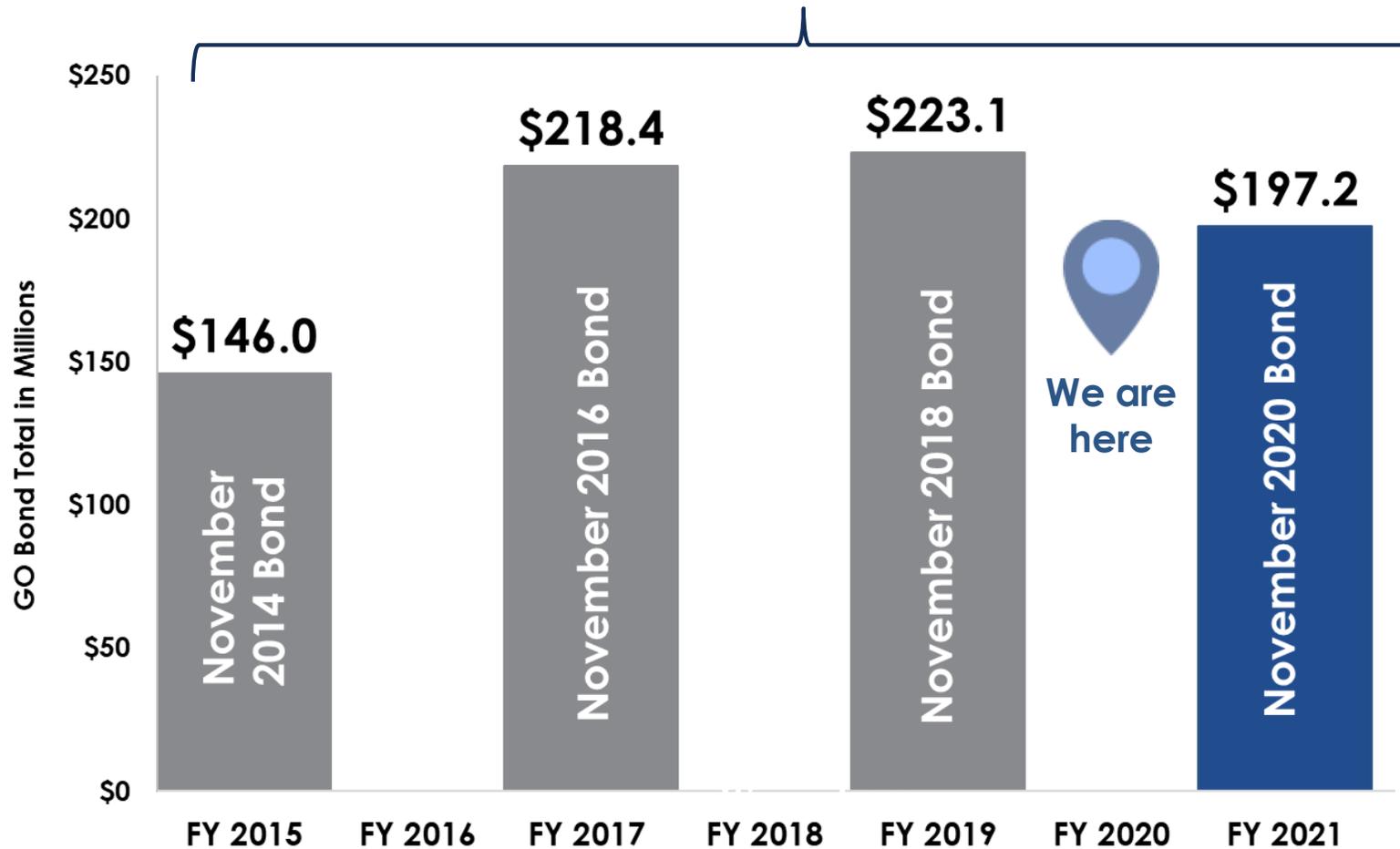
\$127.7m to support enhanced street network and improved traffic flow

\$87.0m to ensure pedestrian and bicyclist safety

\$73.7m to support economic development in developing and redeveloping areas of the city

Completing the Big Ideas

“The Big Ideas” = \$784.7 Million over eight Years



We Invest in Our Priorities



Evaluating Capital Accounts

▶ \$37.1 million of planned funding able to be adjusted:

- Planned project, but no longer viable
- Able to be deferred due to projected schedule
- Recommended for re-prioritization

Allowed for additional Transportation and Neighborhood bond funding



Investing in Transportation and Mobility

\$15.0 Million to build and repair sidewalks

\$2.0 Million to further Vision Zero

\$18.0 Million to construct Phase 1 of Bryant Farms Road

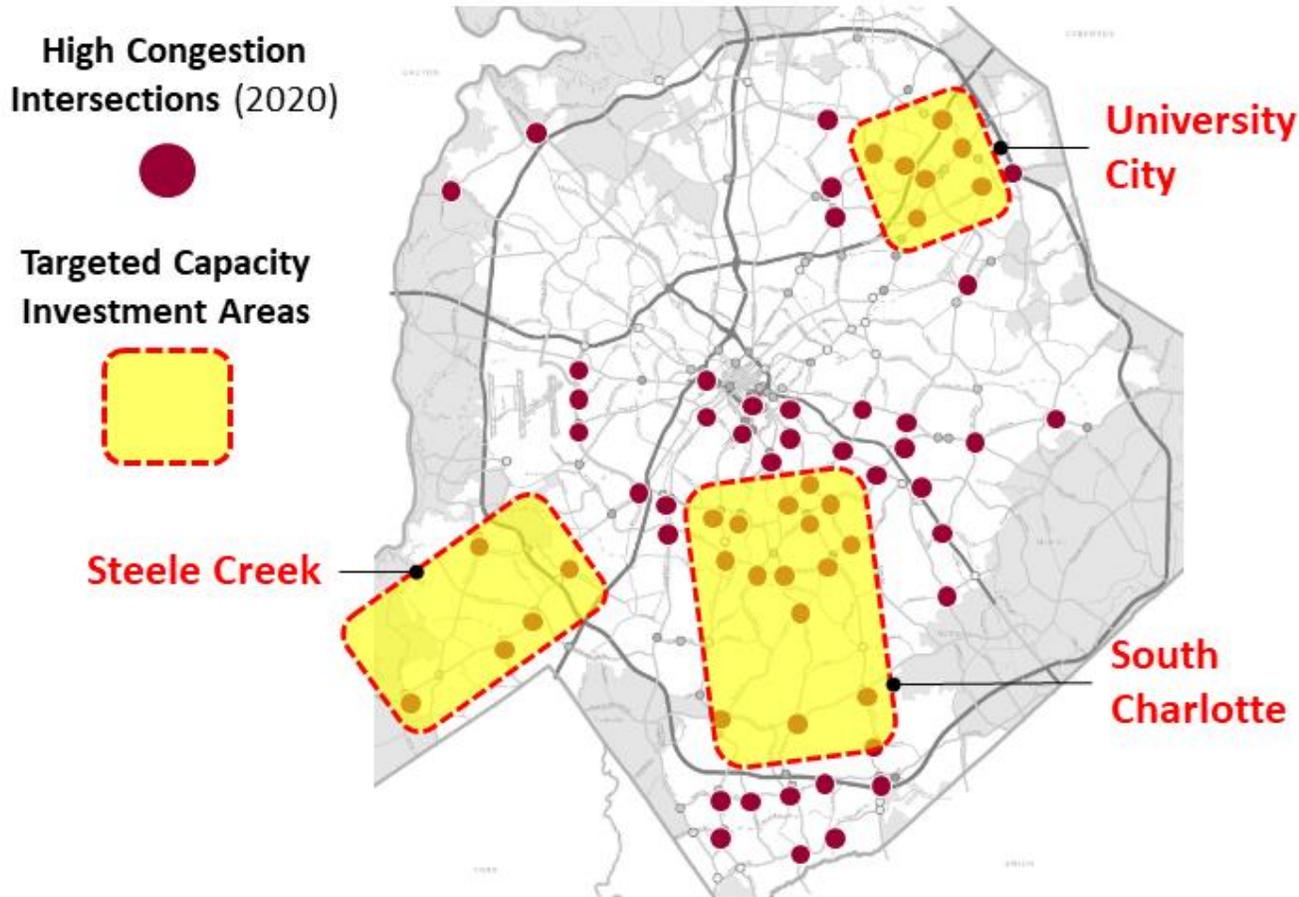
\$4.0 Million to advance Charlotte's Bike Program

\$1.0 Million to implement ADA improvements

\$7.6 Million for congestion mitigation and traffic flow enhancements

*A total of \$9.3 million is provided in FY 2021, \$8.0 million of which is bond funding, to support street resurfacing. This is an annual increase of \$1.0 million.

Providing Congestion Mitigation and Traffic Flow Enhancements



**\$7.6 Million
(CIP)**
+
**\$6.7 Million
(Available PAYGO)**

**\$14.3 Million
Proposed in FY 2021**

Making Sustainable Investments

\$2.0 Million in FY 2021 to increase Building Sustainability



Purchasing 20 Electric Vehicles and **\$1.0 Million** for Charging Infrastructure



CHARLOTTESM



Strategic Energy
Action Plan

Keeping the Momentum in Affordable Housing

\$100 Million over 4 Years

\$100 Million over 16 Years

\$20.0 M

\$15.0 M

\$10.0 M

\$10.0 M

\$15.0 M

\$15.0 M

\$15.0 M

\$50.0 M

\$50.0 M

2002

2004

2006

2008

2010

2012

2014

2016

2018

2020

Bond Year

Proposed 2020 Bond Allocation



**Proposed 2020 Bond:
\$197.2 Million**

**Neighborhoods:
\$44.5 Million**

**Affordable Housing:
\$50.0 Million**

**Transportation:
\$102.7 Million**

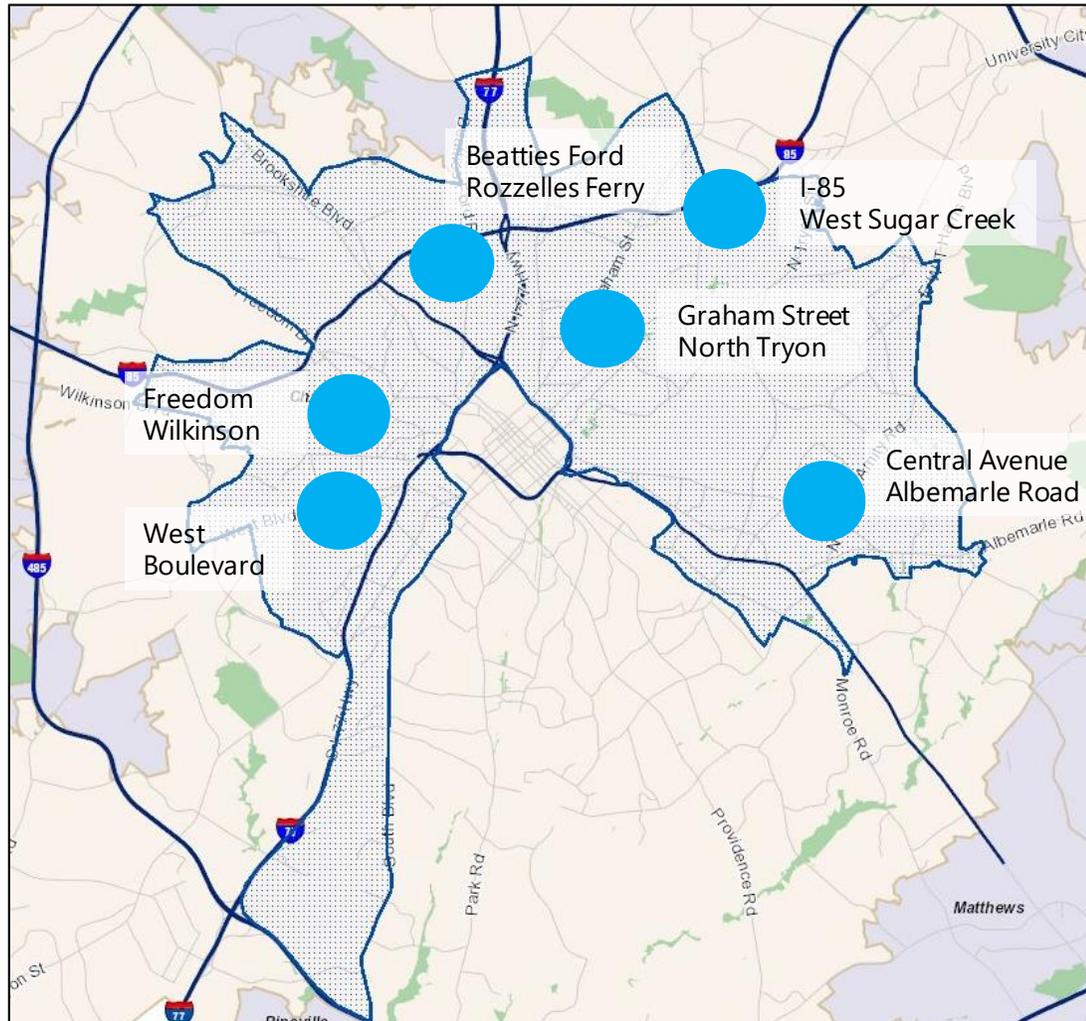
Additional Investment in Neighborhoods

\$30 Million
to Complete
Big Ideas CNIP
Funding

\$14.5
Million to
support
corridor
development



New Investments in Corridors



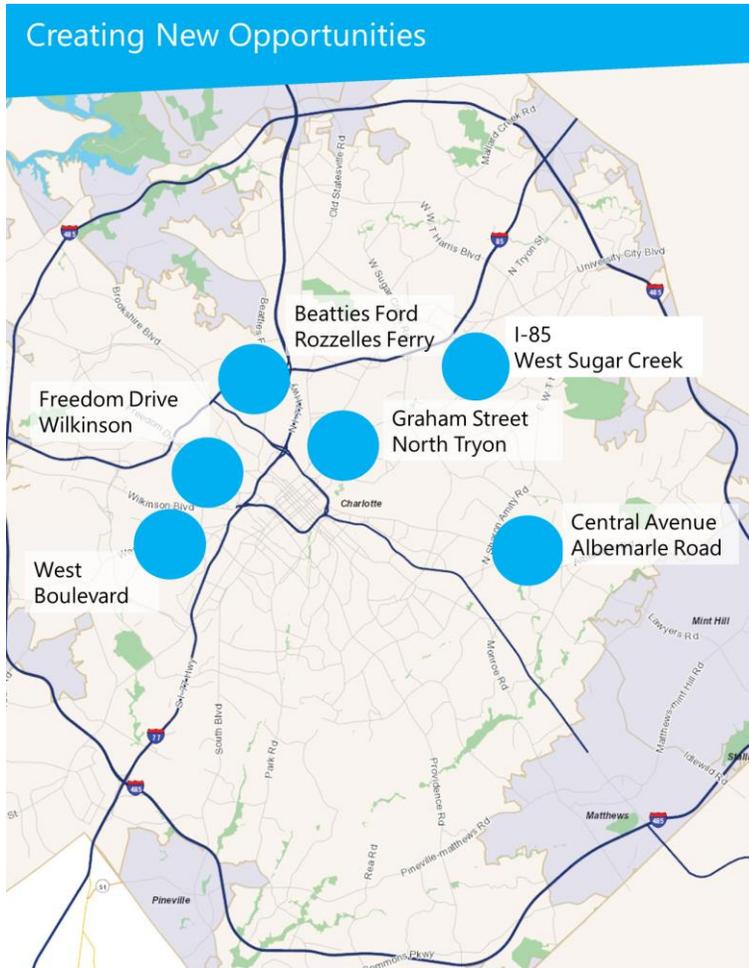
**\$14.5 Million
(CIP)**

+

**\$10.0 Million
(PAYGO)**

**\$24.5 Million
Proposed in FY 2021**

New Comprehensive Strategy Focusing on Corridors of Opportunity



What Makes a Great Corridor?

- Engaged residents, merchants, and property owners
- Community capacity
- Pride and authentic identity
- Mobility and public transportation
- Safe communities
- Strong workforce
- Thriving businesses
- Affordable options
- Amenities and environment

Tailoring Approach for Each Corridor

Build Capacity



Build relationships: city to residents, neighbor to neighbor, neighbor to business owners



Develop comprehensive vision through playbooks and design charettes



Use data-driven outreach to increase neighborhood participation in programs

Capitalize on Momentum



Leverage identified community projects and programs



Provide focused grant funding for self-identified projects (matching grants)

Leveraging Partnerships for Safer Communities

Developed and Approved Framework to Address Violence



Support Community-wide comprehensive plan to address violence

Framework to Address Violence

Purpose: City, County, Partners, and Community work together to reduce violence, increase economic opportunity, and build healthier, more resilient communities.

Intergovernmental Collaboration	Community Collaboration in Priority Areas	Interrupt Violence	Invest in Community-Led Efforts	Use Data and Evidence
PROGRAMS		POLICY	PRACTICE	

- Supporting Violence Interrupter Pilot
- City Liaison to support Community Planning effort
- Developing violent crime dashboard
- Strengthening inter-agency relationships for data sharing
- Launching Fellowship Pilot
- Continue JumpStart Micro Grants to build grassroots capacity to measure and achieve results

Managing Water Resources

Storm Water

- ▶ No Rate Increase

Charlotte Water

- ▶ 1.9% rate increase - lowest rate increase in more than 10 years



We will Remain...



Stable



Resilient



Adaptable

Focus now turns to recovery...

Next Steps

- ▶ **May 11:** Budget Public Hearing
- ▶ **May 20:** Budget Adjustments
- ▶ **May 27:** Straw Votes
- ▶ **FY 2021 Starts July 1, 2020**

Together, we serve a resilient Charlotte

